

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant : Thomas G. Woolston      Art Unit : 2165  
Serial No. : 09/253,014      Examiner : Kemper, M.  
Filed : February 19, 1999  
Title : METHOD AND APPARATUS FOR FACILITATING ELECTRONIC  
COMMERCE THROUGH INTERNET ACTIONS

**BOX AF**

Commissioner for Patents  
Washington, D.C. 20231

**REPLY BRIEF**

Appellant submits this Reply Brief to address the new points of argument, and the continually evolving basis for rejecting the claims on appeal, set forth in the Examiner's Answer, mailed September 10, 2002.

**Grouping of Claims**

Appellant is confused by the Patent Office's statements made under the heading "(7) Grouping of Claims" (office action at 3). In the Appeal Brief filed April 8, 2002, appellant identified four different claims Groups (I, II, III and IV) and expressly stated, as required by Patent Office regulations, that the claims in each group "rise or fall together." In the section (7) of the Examiner's Answer, however, the Patent Office ignores appellant's Group I claims and, for the other three claim Groups (II, III and IV) sets forth an incorrect assertion that appellant stated that the claims in each group "do not stand or fall together." The meaning and effect of the Patent Office's incorrect statement is unclear and confusing. Clarification and correction are requested.

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### **Response to Argument**

Appellant reiterates the assertion that the Patent Office has failed to meet its burden of establishing a *prima facie* case of obviousness based on objective evidence in the record. Rather, the Patent Office continues to place the burden on appellant to prove, in the first instance, why his claims are patentable. The Federal Circuit has repeatedly held that such burden shifting is improper and must result in reversal. See, e.g., *In re Rijckaert*, 28 USPQ 2d 1955, 1957 (Fed. Cir. 1993) ("While the Commissioner criticizes Rijckaert's arguments regarding the §103 rejections, the burden to rebut a rejection of obviousness does not arise until a *prima facie* case has been established. In the case before us, it was not.").

For example, as discussed in the Appeal Brief (pages 9-13 and Appendix B), in finally rejecting the claims on appeal the Patent Office relied on no fewer than 21 different fact-based assertions that have no evidentiary support in the record, but rather are based on pure speculation and conjecture. Although identified with particularity by appellant, the Examiner's Answer addressed only a select few of these unsupported assertions, and chose to ignore the vast majority of the others. Presumably, the failure to provide support for these assertions, after being seasonably challenged by appellant, is an admission by the Patent Office that it cannot provide support for those assertions. Accordingly, as a matter of fairness and due process, appellant is entitled to a presumption that the Patent Office has withdrawn those assertions in support of the claim rejections on appeal.

Moreover, appellant takes exception to the Patent Office's practice of waiting until the Examiner's Answer to even attempt to provide evidentiary support for its rejections. Such a practice is unfairly prejudicial, and cost ineffective, both to appellant and the taxpayers of the United States. If the Patent Office had responded with factual support at the time that it was legally required to do so – namely, in initially rejecting the claims on appeal – only then would appellant have had a meaningful opportunity to present further evidence, argument and/or claim amendments to respond to the rejections. As it occurred, however, the Patent Office did not even attempt to provide factual support until well into the appeal process, thereby forcing appellant (and the Patent Office) to incur the additional time and costs of appeal, and effectively

preventing appellant from proving the merits of its positions during prosecution. Such a practice is contrary to statute and regulations, wasteful of resources, and unfairly prejudicial to appellant.

With respect to the few unsupported assertions addressed in the Examiner's Answer, the Patent Office's rationale is deficient. On the issue of the lack of motivating support to combine Salmon and Sharp, the Patent Office for the first time relies on Wright for the proposition that "sellers need to know that *at times* the competition created through an auction will fetch a higher sales price than could be achieved in any other way." (action at 10-11; emphasis added). However, the quote relied on by the Patent Office proves too much: Wright's statement acknowledges that "at times" sales are superior to auctions and at other times, the opposite is true. Appellant previously pointed out another statement in Wright establishing the uncertainty, and thus undesirability of auctions, in certain circumstances. Consequently, Wright expressly teaches away from the principal on which the Patent Office ascribes to it – namely, that somehow auctions are inherently superior to static sales. Lacking evidentiary support, the alleged motivation for combining Salmon and Sharp is improper and cannot stand.

At page 14 of the Examiner's Answer, the Patent Office sets forth an argument that mischaracterizes appellant's position and evinces a misunderstanding of the law of inherency. More particularly, in rejecting certain claims, the Patent Office asserted that "submitting payment information is inherent since this is a minimum to offer a legitimate bid." (See Examiner's Answer at 5-6.) But as correctly set forth in the Appeal Brief, a feature may be deemed "inherently disclosed" only if the alleged inherency is the *necessary and inevitable* result of practicing what is asserted to embody the inherent disclosure. *In re King*, 231 USPQ 136 (Fed. Cir. 1986) (emphasis added).

In other words, *a feature can be deemed inherent only if it must be true in each and every case*. By simple logic, proving a single instance of where the alleged inherency does not hold true conclusively destroys any inherency argument. And this is exactly what appellant did, both during prosecution and again in the Appeal Brief. Specifically, appellant noted a real life instance ([www.epier.com](http://www.epier.com)) in which submitting payment information was *not* required to offer a legitimate bid. See Appeal Brief at 13. Consequently, appellant irrefutably established that the alleged inherency relied on by the Patent Office is, in fact, not inherent.

Rather than acknowledging that fact, however, the Patent Office continues to persist in its defective inherency argument making the curious statement that "inherency was not dependent upon ePier.com." Answer at page 14. The Patent Office appears to be confused. Of course, "inherency was not dependent upon ePier.com," whatever that means. In point of fact, the Patent Office's assertion of inherency was not based on *anything* other than unsupported conjecture. But, as demonstrated above, the fact that ePier actually existed and in fact did *not* require "submitting payment information [as] a minimum requirement to offer a legitimate bid," conclusively and irrefutably establishes that no such inherency exists. Consequently, the Patent Office may not permissibly rely on the asserted but non-existent inherency in rejecting the claims.

With regard to the lack of motivation to combine Salmon and Sharp, it is noted that the Patent Office ignores the primary reason set forth why no such motivation exists. More particularly, at pages 19-20 of the Appeal Brief, appellant points to specific statements in Sharp that suggest that an automated database front-end is undesirable for security and other reasons. See, e.g., Sharp at paragraphs 18, 19, 21. Yet, because they conclusively defeat the Patent Office's position, the Examiner's Answer chooses to ignore these highly relevant passages in Sharp.

With regard to the rejection of the Group III claims, the Patent Office apparently misunderstands the word "verbal" to mean "spoken by mouth." Rather, in its correct usage "verbal" means "of, relating to, or consisting of words" (Merriam Webster's Collegiate Dictionary, 10<sup>th</sup> ed.). Moreover, the Patent Office's assertion that "Sharp teaches providing subjective information (at least authenticity)" (Examiner's Answer at page 20) is incorrect and misleading. Appellant notes that its Group III claims (for example, claim 66) recite "a verbal description including subjective information *supplied by the seller*." (Emphasis added.) In contrast, the authenticity information mentioned in Sharp is expressly disclosed as coming from the auction operator and *not* from the seller as required by the Group III claims. See, e.g., Sharp at paragraph 21 ["[C]ollectors send messages offering their coins, then ship the coins to Nemo's in advance of the auction date. Blankley has them checked for authenticity and for accuracy of the asking price..." Accordingly, as originally explained in appellant's opening brief, the art of

record fails to disclose or suggest a computer-implemented method of facilitating internet auctions, as recited in the Group III claims, in which the seller supplies a verbal description of an item to be auctioned, including subjective information about the item.

With regard to the Group IV claims, appellant notes with appreciation that the Patent Office has withdrawn the rejection under 35 USC 112, first paragraph, for several of the claims in Group IV. The Patent Office's continued rejection of the remaining Group IV claims is incorrect and must be reversed for several reasons. First, the Examiner's Answer selectively ignores several of the arguments set forth in appellant's opening brief (See Appeal Brief at pages 25-27). For example, the Patent Office asserts that appellant has identified only a single passage from the specification that supports the Group IV claims. Although as a matter of law that single passage is sufficient support under 35 USC 112, in point of fact, appellant provided a second example of support in the specification as filed (see Appeal Brief at page 27, quoting specification at page 10, lines 5-10).

Moreover, the Patent Office is confused about the standard for satisfying 35 USC 112, first paragraph. As the Federal Circuit has repeatedly explained, appellant's disclosure need only "convey with *reasonable clarity* to those skilled in the art that, as of the filing date [], he or she was in possession of the invention." Vas-Cath, Inc. v. Mahurkar, 935 F.2d 1555 (Fed. Cir. 1991) (emphasis added). But instead of applying the proper "reasonable clarity" standard, the Patent Office insists on verbatim support for the Group IV claim – a standard that is clearly improper. See, e.g., In re Wilder, 736 F.2d 1516 (Fed. Cir. 1984) (holding that identical description is not required).

As explained in the Appeal Brief at pages 25-27, the passages identified in the specification as filed reasonably convey that auction scheduling based on any and all time-related parameters (such as start/end times, durations and the like) were possessed by the inventor at the time of filing. No more is needed to satisfy 35 USC 112.

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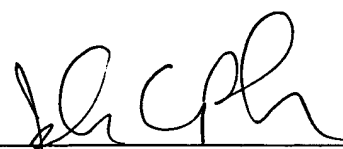
**Conclusion**

For the reasons discussed in the Appeal Brief and above, the Patent Office's rejection of the Group I, II, III and IV claims must be reversed and the claims allowed.

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Respectfully submitted,

Date: 11/12/02

  
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